Labour Market Notes

Employment finishes the year strong

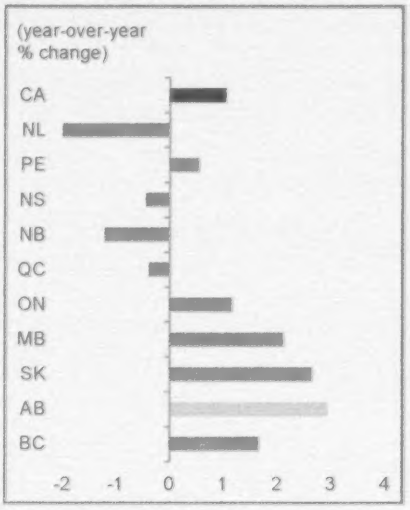
Alberta

- Employment ends the year higher. Alberta employment grew by 5,700 in December, adding to gains in the previous three months. While Alberta continues to add jobs, growth has slowed since the mid point of 2014.
- Gains were in full-time and private sector employment. Alberta gained 8,400 full-time jobs in December, while the number of part-time jobs fell by 2,800. Private sector employment (+9,400) had substantial gains, public sector (+1,200) gains were more modest while self-employment (-5,000) fell.
- Unemployment rate ticks up. Alberta's unemployment rate increased 0.2 percentage points to 4.7% in December as labour force entry outpaced the increase in employment. The rate remains the second lowest among the provinces behind Saskatchewan (3.6%).
- Service and goods-producing industries post gains. Service-producing industries added 3,800 positions in December and the goods sector added 1,900 positions. The increase was concentrated in professional, scientific and technical services (+6,600), and construction (+5,900). Employment in health care and social assistance dipped 10,400, while the trade industry saw a 5,400 decline.
- Alberta leads the provinces in 2014. Alberta employment increased by 66,400 in 2014, which is 12,800 more than the next highest province (Ontario). Alberta's 2014 employment growth of 3.0% was by far the highest of the provinces.
- Earnings continue to climb. Average weekly earnings in October were $1,172, up 1.7% from September, and up 4.4% year-over-year (y/y). The goods-producing industries and the service-producing industries both saw large month-over-month increases. Average weekly earnings rose 4.1% over the first 10 months of 2014.

Canada

- Employment stalls. Canadian employment inched back by 4,300, adding to November's loss. The employment losses were predominately in Quebec (-6,700) and Ontario (-3,500), while Alberta (+5,700) and British Columbia (+2,200) posted the highest gains. Canada has added 185,700 jobs since December 2013, a meagre growth rate of 1.0%.
- Unemployment rate holds steady. The Canadian unemployment rate was unchanged from November at 6.6% in December.
- Earnings maintain strength. Canadian average weekly earnings were $942 in October, 2.8% higher than a year ago.

Employment Growth by Province, December 2014 vs. December 2013



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,302,600
month-over-month change	5,700
year-over-year % change	2.9%
Alberta Unemployment Rate (UR)	4.7%
Edmonton UR**	5.0%
Calgary UR**	4.8%
Participation Rate	72.8%
Average Weekly Earnings (AWE)	$1,172.33
year-over-year % change	4.4%
Average Hourly Wage	$28.28
year-over-year % change	1.1%
Job Vacancy Rate**	2.5%

Source: Statistics Canada

* All data is from the Labour Force Survey for December except AWE, which is from the October Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate is for September.

** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

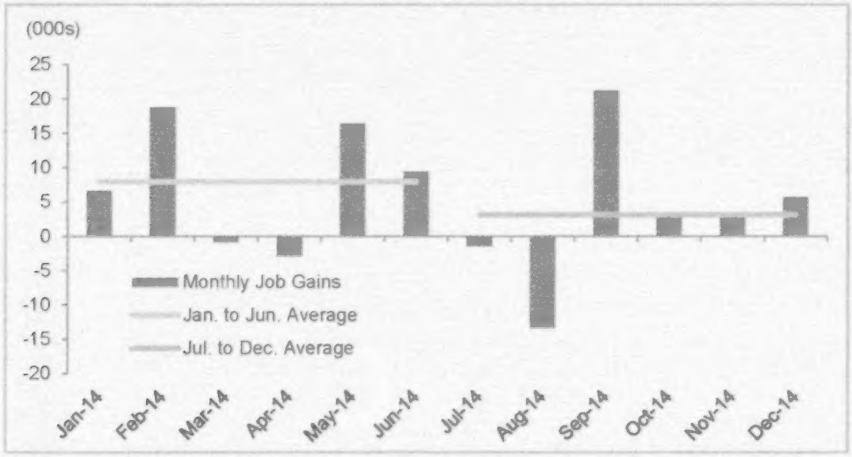
The 2014 Labour Market: Another impressive year

Employment growth surged into the first half of 2014 before moderating in the second half. The strong start to the year propelled employment up 3% in 2014, with the goods-producing industries leading gains. This is the fourth straight year that employment has expanded by over 2.5%. The unemployment rate was unchanged for the third straight year thanks to an expanding labour force fed by migration, which also helped moderate wage growth.

Broad-based employment growth

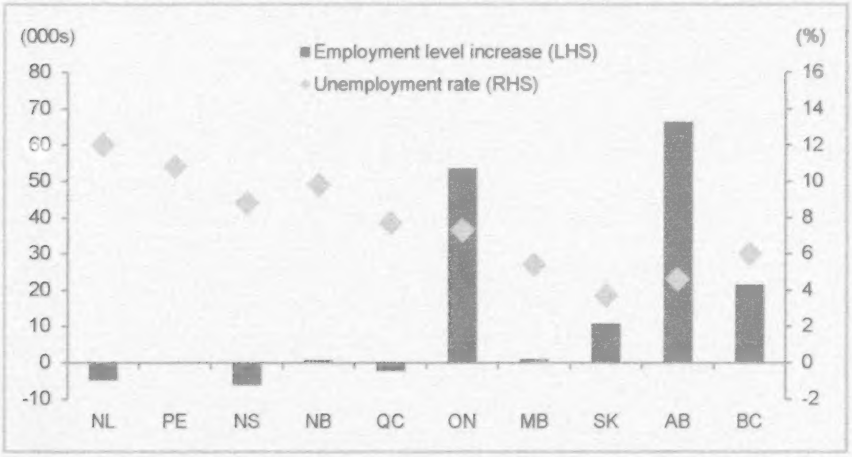
Alberta employment expanded by 66,400 last year, accounting for nearly half of Canada's overall increase. Nearly three quarters of the jobs created since the beginning of the year occurred in the first half, as average monthly gains fell from 7,900 between January to June compared with 3,100 between July to December. Overall, employment growth was broad-based across the goods and services sectors with thirteen of sixteen industries reporting job gains last year. The majority of the new positions were full-time jobs and in the private sector. Employment in the goods-producing sector grew by 3.3%, accounting for 20,400 new positions while the service-producing sector added 46,000 jobs, grew by 2.9%. The transportation and warehousing industry led all industries in percentage employment growth, while the construction industry created the most jobs in levels.

Chart 1: Employment growth concentrated in the first half of 2014
Month-over-month employment change with averages



Source: Statistics Canada

Chart 2: Alberta posts highest job gains
2014 Provincial employment level changes and unemployment rates (annual)



Source: Statistics Canada

Unemployment rate holds

The unemployment rate remained at 4.6% for the third straight year as strong inflows of migrants contributed to labour force growth of 3.0%.

Modest growth in wages

Hourly wage growth moderated to 1.6% in 2014, down from growth of 3.8% in 2013 and 4.8% in 2012. However, average weekly earnings, which is from a different survey and takes into account hours worked, is up 4.1% as of October 2014.

Overall, a very good year

Alberta's labour market held on to impressive job gains early in the year while growth in the second half was more subdued. Despite the strong job growth the unemployment rate did not change from 2013 due to high migration and more people looking for work.

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